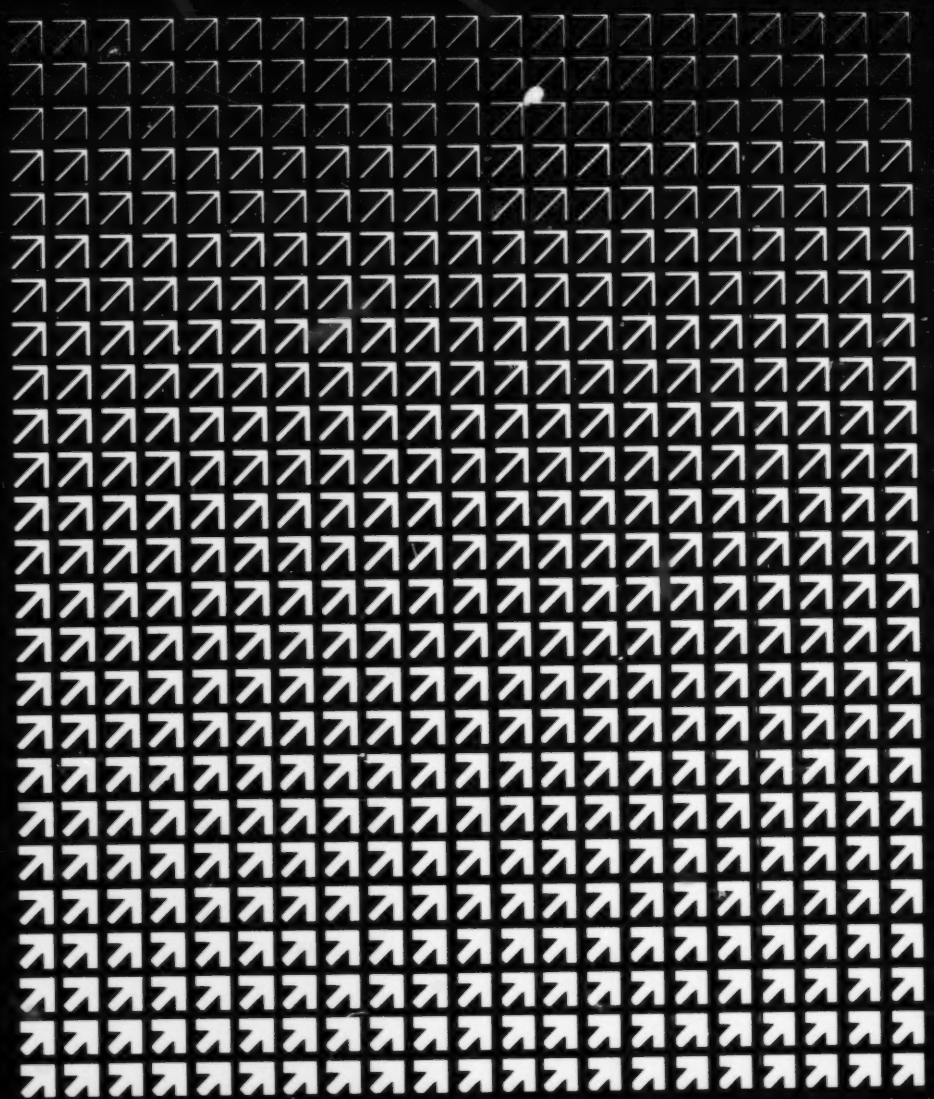
Annual Report



Chairman's Report

Small Business
Development Corporation

small
business
development
corporation

January 21, 1983

Honourable Roland J. Thornhill
Minister of Development
Province of Nova Scotia
Halifax, Nova Scotia

Dear Mr. Minister:

I am pleased to present on behalf of the Board of Directors of the Small Business Development Corporation, our Audited Financial Statements for the fiscal year ended March 31, 1982.

The Corporation commenced operations on August 4, 1981. During this initial eight months of operations the Board approved financing for 135 projects totalling $8,384,100. The businesses assisted were located in sixteen counties throughout Nova Scotia and their operations involved a wide range of business activities, including manufacturing, tourism, retail and other services.

Although the present economic climate poses certain difficulties for many businesses and entrepreneurs, there are encouraging signs for the long term outlook in the small business community and the Corporation should play an important role in the economic recovery.

I wish to express my appreciation to the Directors, Officers and Staff of the Corporation for their efforts during the past year, particularly during the strained level of activity during the initial months of start-up. Our appreciation is also extended to your Department, principally the field representatives with whom we have a close association and who have provided us with valuable assistance in the delivery of our program.

Respectfully submitted,

F. T. Barber

Frank T. Barber
Chairman

Nova Scotia Department of Development
Dartmouth Professional Centre, Suite 100, 277 Pleasant Street, Dartmouth, Nova Scotia, B2Y 4B7 Telephone (902) 424-4500

Small Business
Development Corporation

"There is hereby established a body corporate to be known as the Small Business Development Corporation. The Corporation may, subject to the regulations, render to small business financial assistance, or such other assistance as may be determined by the regulations, which in the opinion of the Board will encourage, sustain, improve or develop small businesses in the Province."

The Small Business Development Corporation reports to the Legislature through:

The Minister of Development
The Hon. Roland J. Thornhill
Province of Nova Scotia

Board of Directors

Small Business
Development Corporation

"The general administration of the affairs, property and assets of the Corporation is vested in the Board." (Small Business Development Act)

F. T. Barber	**Chairman**
R. E. Barkhouse	**Directors**
F. C. Bettens	
R. P. Dexter	
H. Gillis	
O. P. Harkins	
D. Hill	
R. E. Hennigar	
M. Kelly	
D. L. Macaulay	
H. Norve	
T. R. Ogden	
J. P. O'Neil	
F. B. Peters	
R. A. Prest	
R. Publicover	
R. J. Thornhill	
W. T. Withers	

Administration

H. W. Clarke	**Executive Director**
D. G. Holland	**Assistant Director and Secretary**
P. E. McNeil	**Administrative Assistant**
E. Cuddihy	**Legal Counsel**

Auditor's Report

Auditor General
Nova Scotia

**Small Business
Development Fund**

OFFICE OF THE AUDITOR GENERAL
NOVA SCOTIA

P.O. BOX 793,
HALIFAX, N.S.
B3J 2V2

AUDITOR'S REPORT

To the Chairman and Members
Small Business Development Corporation, and
The Minister of Development

I have examined the balance sheet of the Small Business Development Corporation as at March 31, 1982 and the statement of continuity of fund for the period then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Small Business Development Corporation as at March 31, 1982 and the continuity of the fund for the period then ended in accordance with generally accepted accounting principles.

AUDITOR GENERAL

Halifax, Nova Scotia
August 25, 1982

Small Business
Development Corporation

Department of Development
Province of Nova Scotia

Auditor's Report

Auditor General
Nova Scotia

Small Business Development Fund

Small Business Development Corporation

Department of Development
Province of Nova Scotia

Balance Sheet
As at March 31, 1982

Assets

Loans Receivable (Note 1(C))		$ 8,535,050
Investment — at cost (Note 1(C))		25,000
Due from consolidated fund		
	Loans authorized but unadvanced	4,106,669
	Guarantees authorized	
	In effect	14,000
	Not in effect	91,000
	Free balance	2,266,114
		6,477,783
		$ 15,037,833

Liabilities and Fund Equity

Account Payable	37,833
Small Business Development Fund (Note 3)	$15,000,000
	$ 15,037,833

Approved on Behalf of the Board

Chairman

Member

Auditor's Report

Auditor General
Nova Scotia

Small Business Development Fund

Statement of Continuity of Fund

For the period ending March 31, 1982

Authorizations during year (Note 3)		$15,000,000
Balance at end of year		**$ 15,000,000**
	Comprising:	
	Loans advanced, investment and guarantees in effect	$ 8,574,050
	Loans authorized but unadvanced and guarantees not in effect	4,197,669
	Free balance	2,266,114
	Accounts payable	(37,833)
		$ 15,000,000

Small Business
Development Corporation

Department of Development
Province of Nova Scotia

Auditor General
Nova Scotia

Small Business Development Fund

Notes to Financial Statements

1. Accounting Policies

A) Interest

There is no charge to the Small Business Development Corporation for interest on advances from the Consolidated Fund. The Department of Finance established a policy whereby an interest charge is allocated to the Small Business Development Corporation under the general administration division of the Department of Development.

Interest revenue received on loans advanced by the Small Business Development Corporation is credited directly to the Consolidated Fund and netted against the interest charge on the related advances. The Consolidated Fund does not recognize interest accrued but not received, and at March 31, 1982 this amounted to $89,493.

Interest revenue on loans made by the Corporation, reflecting accrued interest receivable at March 31, 1982, totals $417,017. Interest expense on advances to the Corporation from the Consolidated Fund, calculated on the outstanding monthly balance amounts to $426,106. This reflects a net excess of interest expense over interest revenue of $9,089.

B) Administrative Expenses

The expenses of the Small Business Development Corporation in the amount of $425,808 have been provided for by the Department of Development and charged to the general administration vote of the Department. They are not reflected in these statements.

C) Allowance For Doubtful Accounts

The loans receivable and investments as shown on the accompanying balance sheet include an amount of $603,308 for which recovery is considered doubtful. An allowance for these amounts has been established and set up on the balance sheet of the Province as an off-set against the advances to the Fund.

2. Establishment of the Corporation

On June 24, 1981, the Small Business Development Act was assented to by the Lieutenant Governor. This Act established a body corporate to be known as the Small Business Development Corporation. The object of the Corporation is to promote the economic well being of the Province by rendering financial assistance to small business.

3. Small Business Development Fund

Under authorization of Order-in-Council 81-942, $15,000,000 was transferred to the Fund, being the amount considered necessary for the purposes of carrying out the provisions of the Small Business Development Act.

4. Loans Receivable

During the year, loans and investments valued at $4,732,425 were aquired from Industrial Estates Limited.

Small Business
Development Corporation

Authorizations by Industry Sector		%	$
Manufacturing	Wood Products	7	603,000
	Metal Fabrication & Machining	14	1,189,000
	Food	4	310,000
	Electronics	4	298,000
	Printing & Related	2	167,500
	Textiles & Clothing	1	111,700
	Other	6	497,000
	Total	**38**	**3,176,200**
Services	Tourist & Entertainment	14	1,180,000
	Personal	7	555,500
	Construction	4	334,000
	Agriculture	3	280,000
	Business	1	110,500
	Misc. Services	9	761,300
	Total	**38**	**3,221,300**
Trade	Retail Trade	21	1,758,600
	Wholesale Trade	3	228,000
	Total	**24**	**1,986,600**
Total Authorization		**100**	**8,384,100**

Department of Development
Province of Nova Scotia

Small Business
Development Corporation

Applications and Authorizations

		#	$
Total Applications		316	22,356,266
	Average Amount		70,748
Applications Authorized		135	8,384,100
	% of Total App	43%	38%
Applications Declined		72	4,706,229
	% of Total App	23%	21%
Applications Withdrawn		43	4,256,909
	% of Total App	13%	19%
Applications Pending		66	5,009,028
	% of Total App	21%	22%

Purpose of Authorizations

	%	$
To Establish a New Business	21	1,578,700
To Expand an Existing Business	65	5,915,900
Other Miscellaneous Purposes	14	889,500

Small Business
Development Corporation

Distribution of Authorizations by Size

		#	%
$0 to	$25,000	56	42
$25,001 to	$50,000	29	21
$50,001 to	$100,000	23	17
$100,001 to	$250,000	27	20
	Totals	**135**	**100**

Distribution of Authorizations by Project and Source

		%	$
Project Cost	Land and Buildings	52	6,928,422
	Machinery & Vehicles	32	4,334,551
	Working Capital	12	1,676,222
	Miscellaneous	4	561,774
	Total	**100**	**13,500,969**
Financing	SBDC-Loan	61	8,204,100
	SBDC-Guarantee	1	180,000
	New Equity Investment (Shareholders)	15	1,974,179
	Other Lenders	13	1,732,069
	Miscellaneous	10	1,410,621
	Total	**100**	**13,500,969**

Offices

Small Business
Development Corporation

Main Office

Dartmouth Professional Centre
277 Pleasant Street, Suite 100
Dartmouth, Nova Scotia
B2Y 4B7

902 424-4920

and co-ordinated with:

Department of Development Regional Offices

Cape Breton	539-4768	235 Charlotte St. **Sydney**, B1P 1C4
Strait of Canso	625-3200	Professional Bldg., Church Street. **Port Hawkesbury**, B0E 2V0
Metro/East	424-6767	5151 George St., P.O. Box 519. **Halifax**, B3J 2R7
Northumberland	662-3339	Admin. Bldg., Debert Air Industrial Park. Box 100, **Debert** B0M 1G0
	752-1011	Maritime Bldg., Rm. 504, 169 Provost St., **New Glasgow**, B2H 2P9
	667-3223	40 Anson Ave., Amherst Industrial Park. **Amherst**, B4H 4A1
South Coast	543-9121	Provincial Bldg., 99 High St. **Bridgewater**, B4V 1V8
	742-8404	Provincial Bldg., 10 Starrs Rd., **Yarmouth**, B5A 2T1
Valley	678-3386	Annapolis Valley Industrial Mall, Box 524. **Kentville**, B4N 3X3
	825-4545	131 Commercial St., Box 39. **Middleton**, B0S 1P0